

A regular meeting of the **FINANCE COMMITTEE** was held tonight, Chairman Dan Norris presiding. Members present were Commissioners Brockington, Holland, Pransky, Rappoport, Simon and Sharkey.

Staff members present were Township Manager Bryan Havir, Director of Fiscal Affairs Bruce Rangnow, and Assistant Township Manager Alyson Elliott. Also in attendance was Finance Officer Stephen Burns. A public Attendance List is attached.

Mr. Norris stated that an executive session of the Board of Commissioners was held prior to the start of the Finance Committee meeting to discuss potential litigation issues.

Mr. Norris called the meeting of the Finance Committee to order at 9.45 p.m.

1. Mr. Norris indicated that the year-to-date percentages reflected in the five year analysis report were in line with prior year results. Mr. Sharkey asked management to reflect and advise the Committee on the relevance of this report for consideration of its continued use in the future. Mr. Norris noted that the expenditures for sewer wages and maintenance in the September 2016 Executive Financial Summary Report were below the statistical average for this point of time in the year. Mr. Rangnow explained that a portion of this statistical aberration was due to accounting changes being made in the posting of the sewer wage expenditures. Upon motion of Mr. Norris, the Committee unanimously accepted the Executive Financial Summary Report and the Five-Year Analysis for the period ending September 30, 2016.

2. Mr. Norris provided a status update on the progress made to date in the review and amending of the Township's 2017 Proposed General Operating Budget following the conclusion of the October 6, 2016 budget workshop. It was noted that the initial proposed budget revenue-to-expenditure budget shortfall of \$1,000,801 on a budget of approximately \$40 million dollars, has currently been reduced down to \$631,259 through \$369,542 of various revenue increases and expenditure reductions made at the budget workshop. The Commissioners and management will continue their efforts to further reduce down the operating budget deficit up until the final 2017 Operating and Capital Budgets are adopted at the Commissioners Board Meeting on December 21, 2016.

Mr. Sharkey requested that staff look into all available opportunities to increase the Township's yields on its investments as a means to further reduce down the current budget deficit based on the recent State Legislation passed known as Act 10.

Left unchanged, the current budget deficit of \$631,259 would require a .3366 mills tax increase to balance the 2017 operating budget. This would result in an estimated \$50 tax increase in 2017 for a property with an assessed value of \$150,000. There will be several more public meetings in which the 2017 operating budget will be reviewed, as follows:

- The Capital Budget Workshop on Wednesday, October 26, 2016 at 4 pm at the Township's Administration Meeting.
- Following the presentation of the Board President's 2017 Budget Message on Wednesday, November 2, 2016 at 7:30 pm at Curtis Hall.
- The Finance Committee Meeting on Wednesday, November 9, 2016 at 8 pm at Curtis Hall.
- The Board of Commissioners Meeting on Wednesday, November 16, 2016 at 7:30 pm at Curtis Hall prior to the Adoption of the Preliminary 2017 Operating and Capital Budgets.

3. Mr. Havir advised the Committee that the Township had received a Consent Assessment of Civil Penalty from the Department of Environmental Protection (DEP) for a sanitary sewer overflow event that took place on March 14, 2016 behind the apartments located at 534 Church Road. The cause of the sewer overflow was due to a grease blockage inside the apartment complex. The initial DEP Civil Penalty Fine was originally assessed at \$3,970, but through discussions with the DEP it was reduced down to \$2,000.

Mrs. Rappoport reminded all residents to be careful in their use of fats, oils and grease and to properly dispose of all such items to help prevent future sewer overflow events.

Recommendation to the Board of Commissioners: Upon motion of Mr. Norris the Finance Committee unanimously agreed to recommend the Board of Commissioners authorize payment of the \$2,000 civil penalty fine resulting from the sanitary sewer overflow at 534 Church Road, and necessary legal action to obtain a reimbursement of the \$2,000 fine from the owners of the apartments.

4. Old Business – Mr. Pransky asked Mr. Burns for assurance that the proper operational procedures have been put in place to ensure that all general contractors are properly licensed to do business in the Township. Mr. Burns responded in the affirmative that the Township is continuing to work towards making sure all general contractors are licensed.

5. New Business – Mr. Pransky requested that the Township advise all residents that they should be cautious and have a clear understanding of exactly what expenses are covered in any sewer repair insurance policy they consider before signing a contract that might not cover required sewer line repairs as identified from a lateral camera inspection.

6. Citizen Forum – None.

There being no further business, upon motion of Mr. Norris, the Committee unanimously agreed to adjourn the meeting at 10:30 p.m.



Bryan T. Havir
Township Manager

Per: Bruce Rangnow
Director of Fiscal Affairs



Meeting Attendance Sheet

Public Safety 7:30 PM
Public Affairs 7:45 PM
Finance 8:00 PM



Thursday, October 13, 2016

Cheltenham Township Administration Building
8230 Old York Road | Elkins Park, PA 19027

(Please Print Clearly)

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